



Wealth Management Market Update

SPRING 2021 Q1 UPDATE

Wealth Management Market Summary

Spring 2021 Industry Updates and Drivers

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Our dedicated team has an extensive level of experience in the wealth and asset management sectors, specializing in M&A for wealth managers, their assets, and manager contracts.

In the past five years, we have transacted or transferred more than \$110 billion in assets under management.

Select Market Drivers

Mergers and Acquisitions Remain Robust

- Q1 '21 was one of the most active periods in wealth management M&A
 - Wealth management M&A was 43.9% higher with 18 more deals in Q1 '21 than Q1 '20
- High concentration of transactions across platforms with between \$500 million and \$5 billion of assets under management (AUM)
- Silicon Valley Bank's acquisition of Boston Private Bank & Trust Company for \$977 million (Jan. 2021) reflects expanding strategic sector interest

Private Equity Continues to Be Active

- Sponsors continue to enter the space and grow their existing wealth management platforms through bolt-on transactions
- Private equity participated in 19 out of the 72 transactions in Q1 '21
 - CI Financial's majority acquisition of Segall Bryant & Hamill, previously owned in part by Thoma Bravo (\$23 billion in AUM)
 - Warburg Pincus' minority acquisition of Edelman Financial Engines (\$260 billion in AUM)
 - Aquiline's majority acquisition of SageView (\$119 billion in AUM)

Structural Drivers of Transaction Activity

- Transaction supported by improving economy following COVID-19 slowdown, low interest rates, and continued consolidation by larger firms
- As larger firms continue to get bigger and more efficient, smaller firms are going to need to navigate against fee compression and expanded services and product offerings across the industry

Valuations Remain Strong

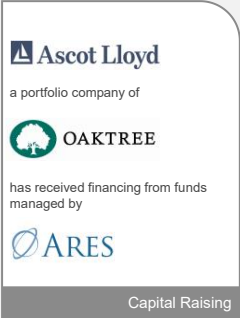


- Public company valuations recovered from the 2020 lows, supported by gains in equity markets, overall economic recovery, and government stimulus
- Private transaction multiples continue to be near highs

Overall Activity Expected to Continue, Expand Into Debt Capital Markets

- Recurring consolidation trends—need for operating leverage, accretive acquisitions, overall sponsor demand—will continue to drive transactions
- Selling activity expected to pick up due to proposed changes to capital gains tax treatment, which may impact transaction pricing
- Expect larger firms with scale to take advantage of favorable capital markets, including a growing interest from private debt lenders in the sector

Recent Wealth Management Transactions

Houlihan Lokey Transaction Spotlight

Transaction			
Deal Date	February 2021	February (Pending) 2021	September 2019
Deal Value	Not Disclosed	Not Disclosed	€206 million (\$225 million)
AUM	--	\$12 billion	£30.2 billion (\$42 billion)
Target Description	Leading U.K. IFA business, serving more than 21,000 clients through a nationwide network of 135 independent financial advisors	Leading Nordic wealth manager serving high-net-worth individuals (HNWIs) across Norway and Sweden	Platform for multiclass asset administration, retirement, financial planning, and investment management services
Houlihan Lokey Role	Exclusive Placement Agent	Sellside Advisor	Buyside Advisor

Wealth Management Transactions

Extensive Global Wealth Management Experience

Select Wealth Management Related Engagements

Ascot Lloyd
a portfolio company of

OAKTREE

has received financing from funds managed by

ARES

Capital Raising

Transaction Pending

FORMUES-FORVALTNING

has agreed to receive a partnership investment from

funds managed by

Investment Partners ICG

Sellside Advisor

Eaton Vance

has been acquired by

Morgan Stanley

Fairness Opinion

SIP
SHARESPOST

has been acquired by

Forge

Sellside Advisor

RetireUp

has been acquired by

Tegra118

a portfolio company of

MOTIVE PARTNERS

Sellside Advisor

ATRIA Wealth Solutions
a portfolio company of

LEE
EQUITY

has acquired

WIS

Financial and Tax Due Diligence

MERCURY
CAPITAL ADVISORS

and its wholly-owned subsidiary

MERCURY iFunds

have been acquired by

INVESTCORP

Sellside Advisor*

epiris

has acquired through scheme of arrangement

IFG GROUP PLC

£206,000,000

Buyside Advisor

Funds managed by

HELLMAN & FRIEDMAN

have entered into an agreement to combine

Financial Engines

and

EDELMAN FINANCIAL SERVICES

Financial Advisory Services

ATRIA Wealth Solutions
a portfolio company of

LEE
EQUITY

has acquired

NEXT
financial group

Financial and Tax Due Diligence

altegris
a portfolio company of

AQUILINE GENSTAR

has merged with

ARTIVEST

a portfolio company of

KKR

Sellside Advisor*

altegris
a wholly owned subsidiary of

Genworth Financial

has been acquired by

AQUILINE GENSTAR

Sellside Advisor*

altegris

has been acquired by

Genworth Financial

ASSETMARK
Wealth Independence Purpose

Sellside Advisor*

GW&K
Investment Management

a wholly owned subsidiary of

THE BANK OF NEW YORK MELLON

has been acquired by

AMG

Sellside Advisor*

LEBENTHAL

has been acquired by

Advest
Serving Investors Since 1894

a member of

THE MONY GROUP

Sellside Advisor*

*Selected transactions were executed by Houlihan Lokey professionals while at other firms acquired by Houlihan Lokey or by professionals from a Houlihan Lokey joint venture company. Tombstones included herein represent transactions closed from 2018 forward.

Robust Mergers and Acquisitions Market

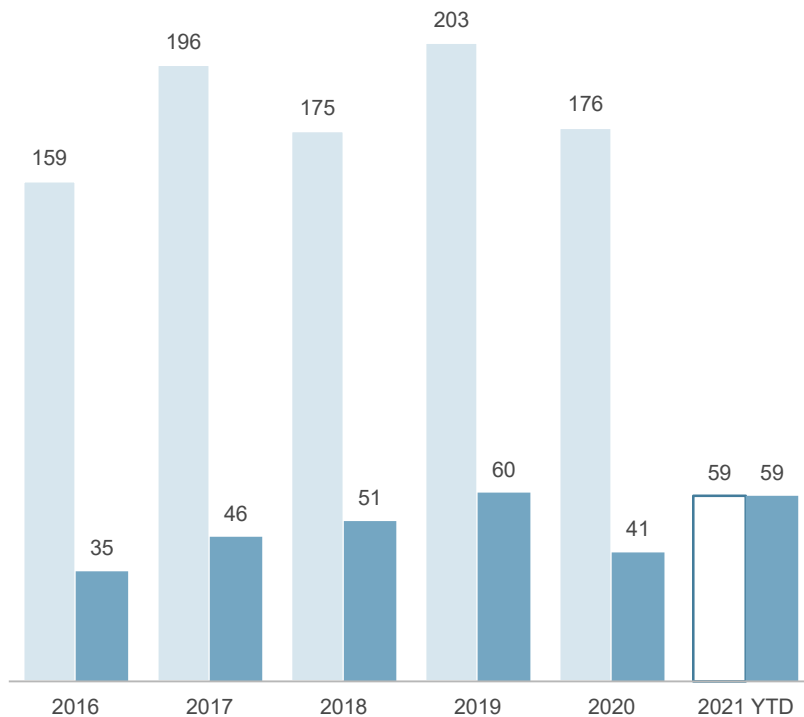
Transaction Activity Remains at an All-Time High

The retail wealth management industry is experiencing an accelerating rate of consolidation driven by a variety of factors, including expanding scale and pricing pressures, offering more diverse products and services to combat emerging technology firms and evolving client expectations, and implementing succession plans.

Established M&A Activity⁽¹⁾

Number of transactions executed per year

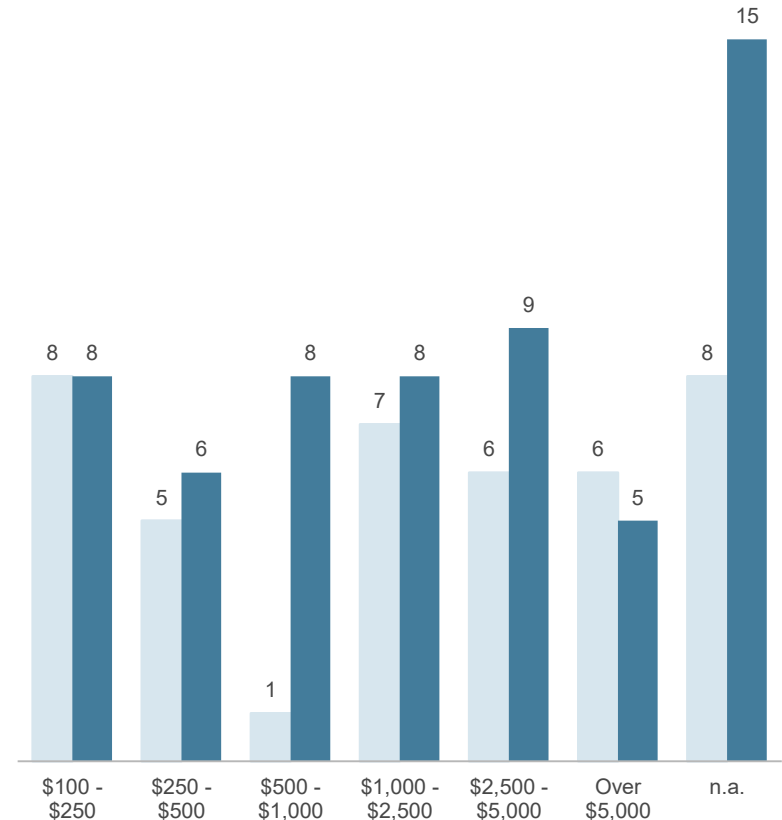
■ Count by Year ■ Count by Quarter



M&A Activity by Seller Size⁽²⁾

Number of transactions by seller size, \$ millions

■ Q1 2020 ■ Q1 2021



Source: SNL Financial.

(1) 2021 includes transactions that have entered into a definitive agreement.

(2) Represents only M&A activity that disclosed the target's AUM size.

Private Equity Continues to Be Active

Acquirors and Select Transactions

Sponsors continue to increase their interest in the independent advisory sector, executing larger deals focused on consolidation.

Drivers of Private Equity Activity

Large Initial Investment	<ul style="list-style-type: none"> ▪ Larger platforms, usually an initial purchase for a sponsor as they enter the sector; typically established operations and an ability to scale easily
Bolt-On Acquisitions	<ul style="list-style-type: none"> ▪ Acquisitions by sponsor-owned entity that is looking to add additional assets and employees; typically rolls up under the marquis platform
Product Expansion	<ul style="list-style-type: none"> ▪ Acquisition of tangential products or strategies (i.e., tax, trust, financing, etc.) to offer clients in core business; may be acquired by platform or by the same sponsor under separate ownership and management
Exits	<ul style="list-style-type: none"> ▪ Sale of platforms by founders or sponsors ▪ Can be through a sale or IPO; may retain a minority or legacy interest post closing
Drivers of Value	<ul style="list-style-type: none"> ▪ Organic growth, accretive acquisitions, expenses savings, operating leverage, product/service build-out, multiple expansion



Drivers of Transaction Activity

Evolving Wealth Management Landscape

Industry Trends and Market Drivers

- With more than 7,500 retail-focused advisors in the U.S., significant consolidation opportunities exist for all types of firms
 - New investors provide not only business expertise and scale but also networks for sourcing M&A opportunities
 - Strategic buyers are becoming more involved in transactions, representing nearly half of publicized deals from about one-third of deals a decade ago
- Shift to independence has attracted the interest of (and demand for) private capital
 - Family offices, sovereign funds, insurance companies, pension funds, private investors, and private equity firms are directly and indirectly investing in independent advisory firms
 - With median profit margins of 20%–25%, cheap borrowing costs, and low capital requirements, private investors are attracted to the potential of doubling their money within three to five years

Wealth Management Landscape

Private Banking and Brokerage	  
Wirehouse	   
Regional	    
IBDs	      
RIAs and Service	  

Select Advisor Transactions (Q1 '21)

\$ millions

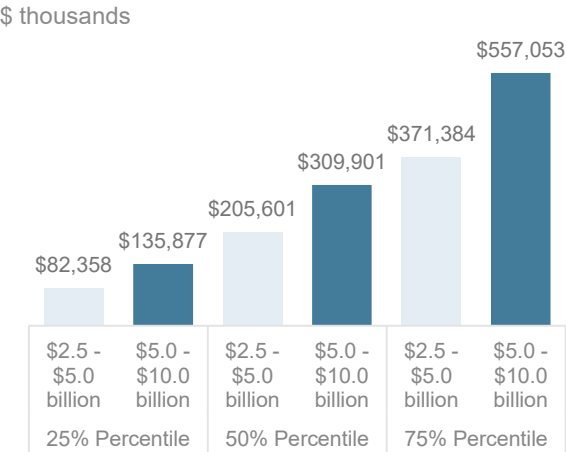
Month	Target	Acquirer	AUM/AUA	Deal Value
Jan.			\$17.7	\$901
Jan.			8.0	--
Jan.			1.3	--
Jan.	Whitnell		1.4	--
Feb.			1.1	--
Feb.			154.0	--
Mar.			650.0	977
Mar.			4.7	--
Mar.			1.8	--
Mar.			377.0	410

Drivers of Transaction Activity

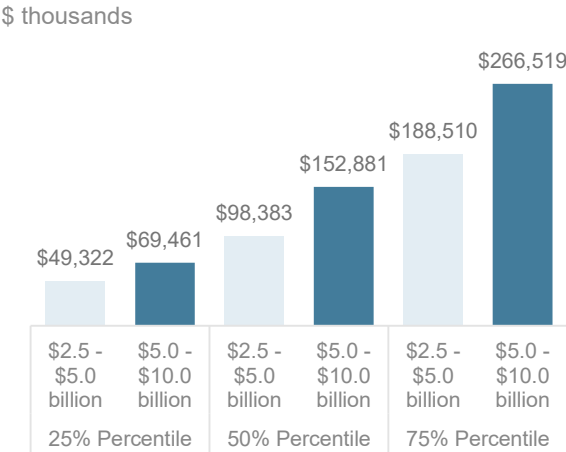
Select Registered Investment Advisor Firm Metrics

Account sizes scale much faster at larger firms.

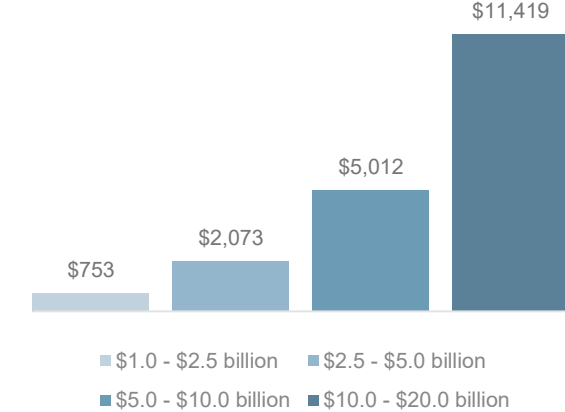
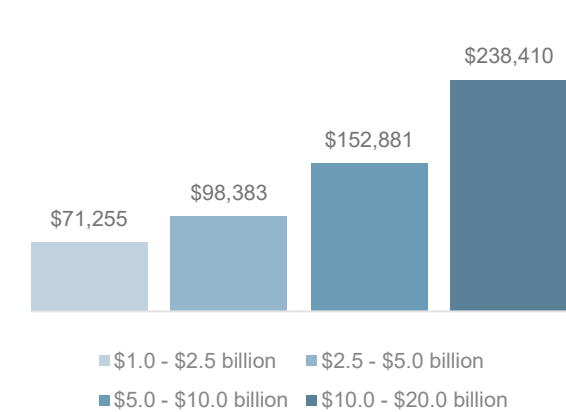
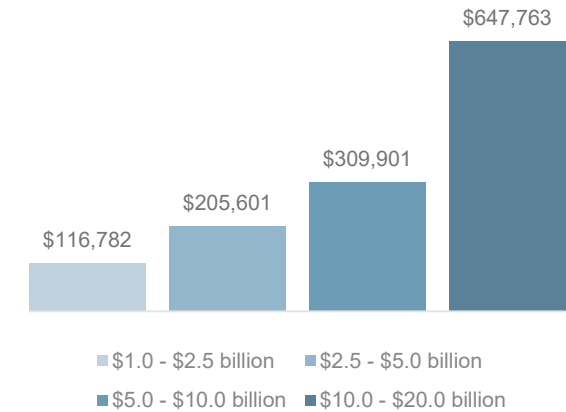
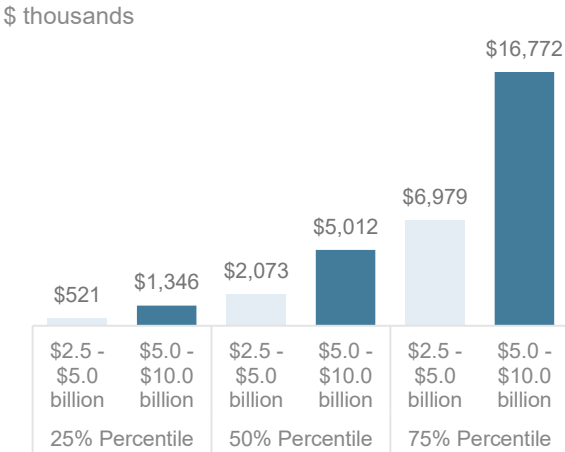
Assets Under Management
Per Investment Profess. by Firm Size



Assets Under Management
Per Employee by Firm Size



Assets Under Management
Per Account by Firm Size



Note: Firm size defined as total assets under management.
Sources: Public filings, SNL Financial.

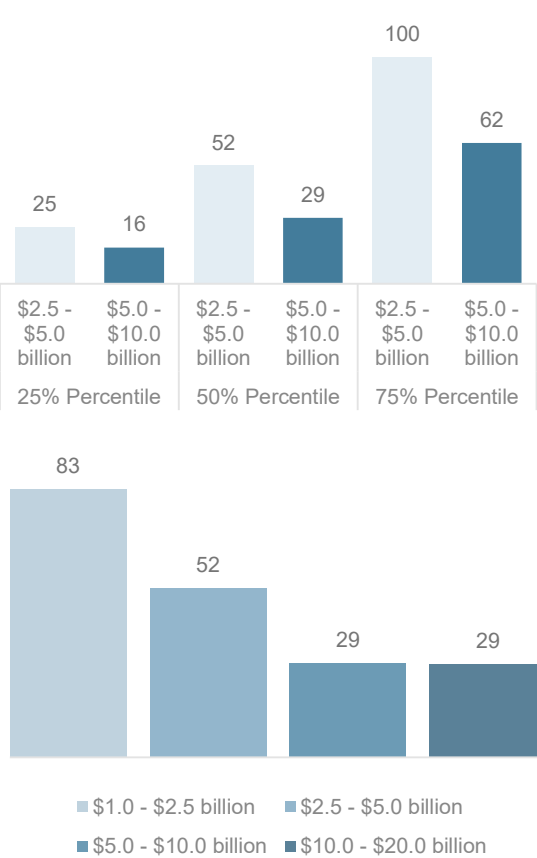
Drivers of Transaction Activity

Select Registered Investment Advisor Firm Metrics

Larger firms have fewer accounts per employee and more support staff, though not typically more than one per investment professional.

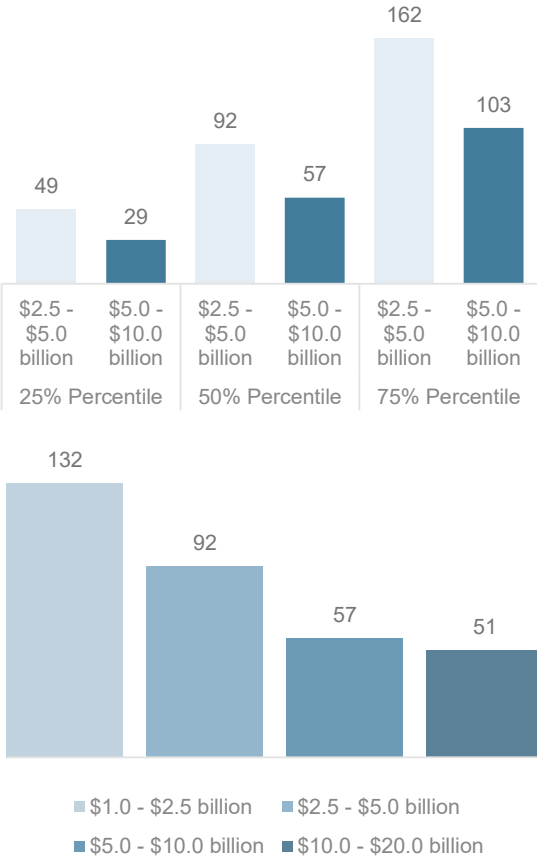
No. of Accounts Per Employee

Accounts actuals



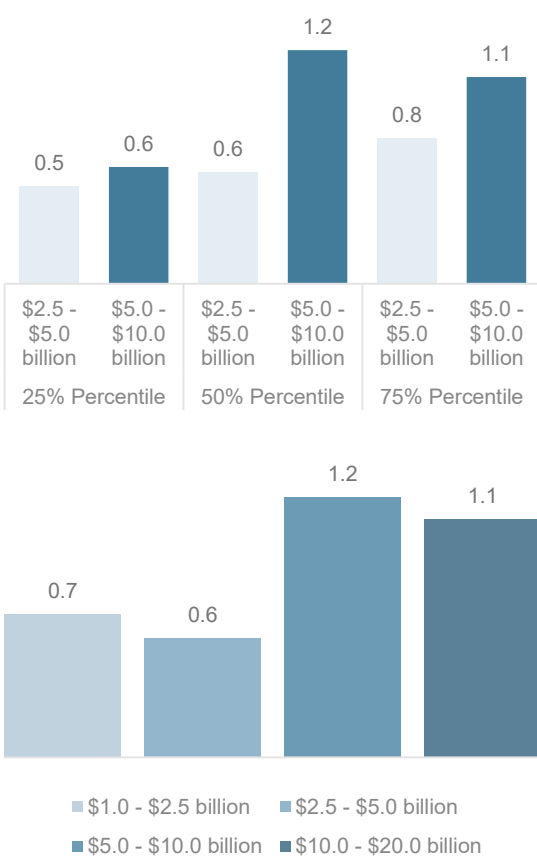
No. of Accounts Per Investment Professional

Accounts actuals



Non-Investment Professional Per Investment Professional

Ratio



Note: Firm size defined as total assets under management.
Sources: Public filings, SNL Financial.

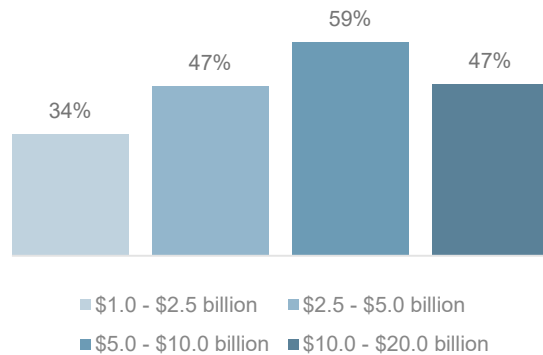
Drivers of Transaction Activity

Select Registered Investment Advisor Firm Metrics

Larger platforms tend to have more performance-based fees, though they offer fewer additional services through insurance or trust.

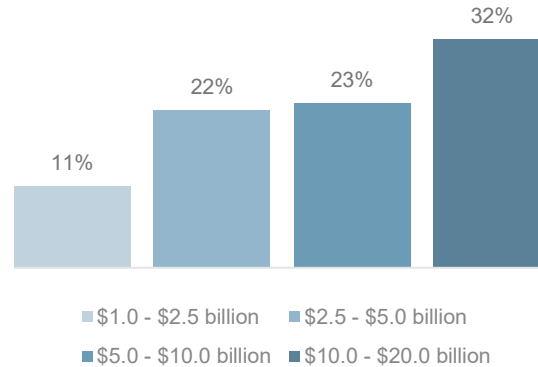
Has Non-U.S. Clients

% total



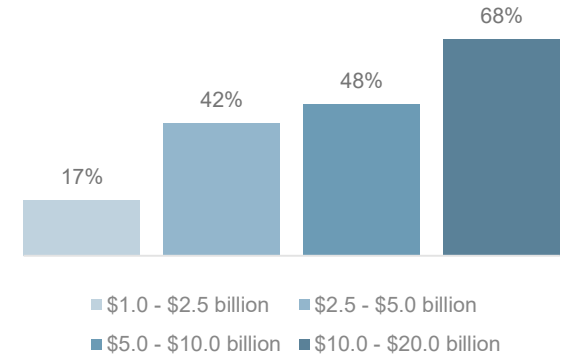
Receives Performance Fees

% total



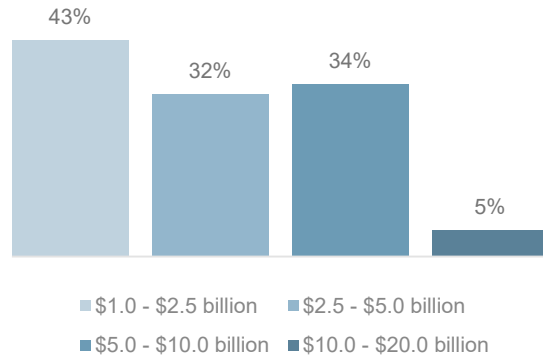
Offers Pooled Vehicles

% total



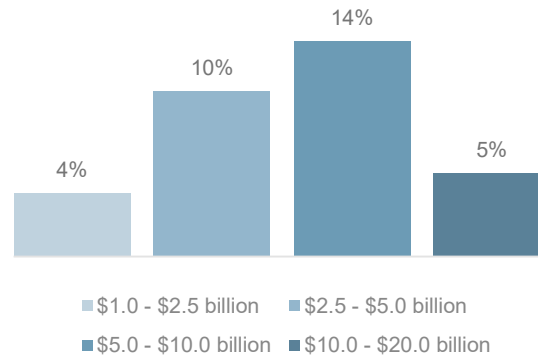
Has Insurance License

% total



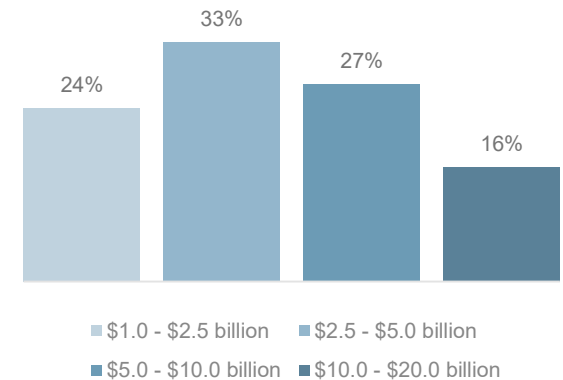
Has Trust Company

% total



Offers Wrap Accounts

% total

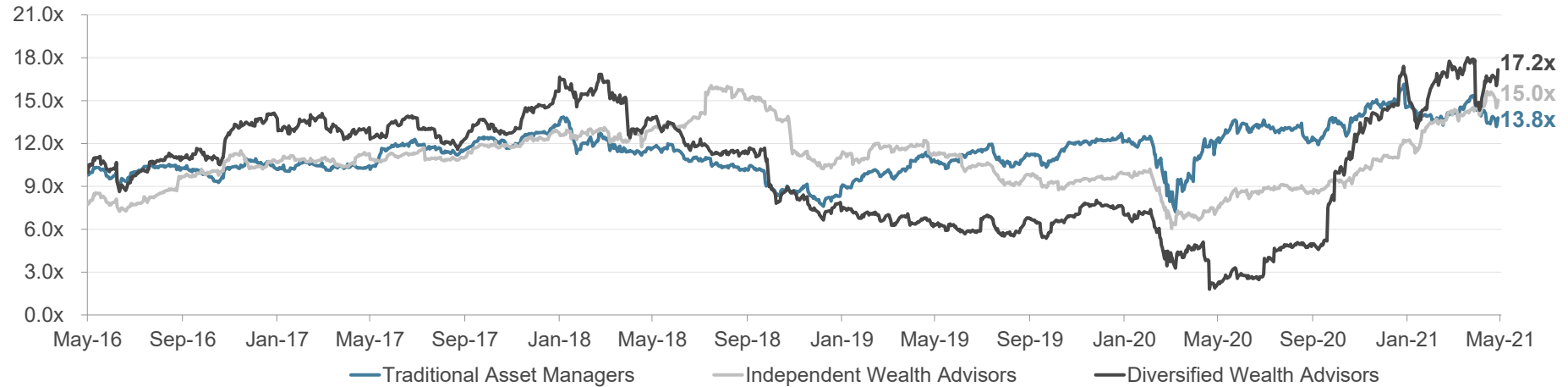


Valuations

Historical Public Company Trading Levels and Relative Change

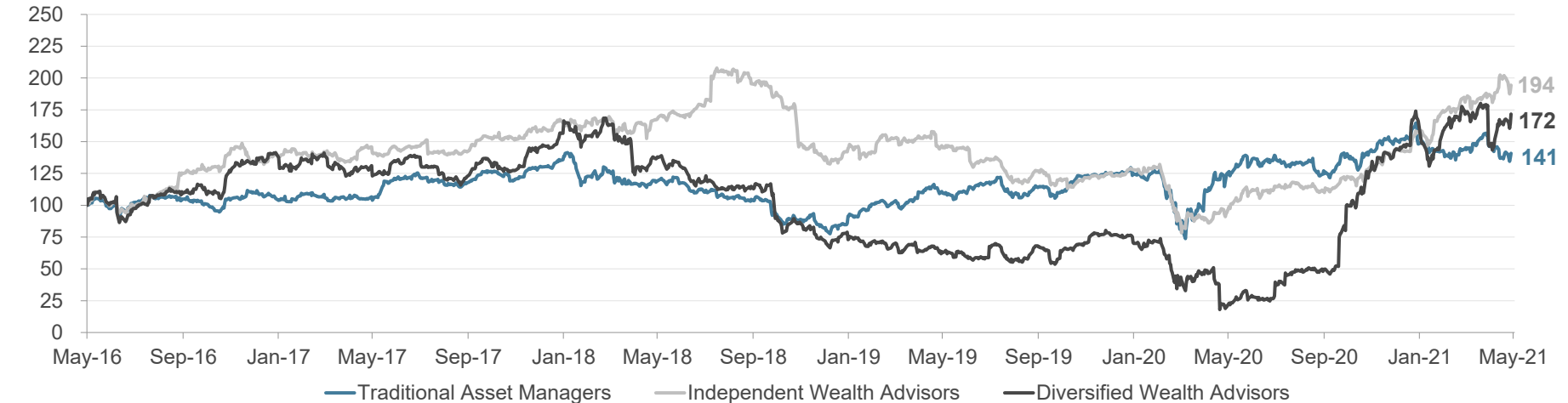
Total Enterprise Value to LTM EBITDA

Total Enterprise Value to LTM EBITDA



Relative Change in Total Enterprise Value to LTM EBITDA

Change in total enterprise value to LTM EBITDA



Sources: Public filings, SNL Financial, S&P Capital IQ.

Note: Financial data as of most recent available; market data as of May 14, 2021; indices weighted by market capitalization.

Independent Wealth Advisors includes BCOR, FOCS, LPLA, SAMG. Diversified Wealth Advisors includes AMP, RJF, SCHW, SF.

Valuations

Average Public Company Trading Metrics

	EV/2021E EBITDA	2021E P/E	EV/AUM
Independent Wealth Advisors	9.0x	13.4x	1.8%
Diversified Wealth Advisors	9.3x	15.7x	6.1%
Traditional Asset Managers	10.5x	13.5x	1.8%
Alternative Asset Managers	16.6x	20.4x	7.3%
Private Markets Focused Alternatives	26.1x	34.6x	22.9%

Note: The above illustrates comparative valuations on a subsector basis across many different company revenue and business model types. The subsequent pages show the trading metrics of the respective companies within each subcategory.

Sources: Public filings, SNL Financial, S&P Capital IQ.

Note: Trading multiples based on share price, other market data, and broker consensus future earnings estimates from S&P Capital IQ as of May 14, 2021.

Select Trading Comparables

Advisors

As of May 14, 2021

(Dollars in millions, except per share data)

		Closing Stock Price	Assets Under Management	Market Cap.	YTD Stock Price Return	1-Year Stock Price Return	EV /		EV / EBITDA				P / Adj. Earnings		
	Ticker						AUM	2020E Rev.	2020A	2021E	NTM	2022E	2021E	NTM	2022E
Independent Wealth Advisors															
LPL Financial Holdings Inc.	LPLA	\$149.97	\$496,700	\$11,988	43.9%	139.0%	2.8%	1.9x	15.1x	13.2x	12.4x	11.1x	20.2x	18.9x	16.5x
Focus Financial Partners Inc.	FOCS	47.13	205,000	3,730	8.4	95.1	n.a.	2.2	11.6	8.8	8.7	7.6	n.a.	n.a.	n.a.
Blucora, Inc.	BCOR	16.17	83,000	783	1.6	49.4	n.a.	1.1	10.2	7.6	6.8	6.7	11.2	10.2	10.4
Silvercrest Asset Management Group Inc.	SAMG	14.16	29,026	205	1.9	49.8	0.8	1.8	8.0	6.5	6.3	5.9	8.7	8.4	7.7
High					43.9%	139.0%	2.8%	2.2x	15.1x	13.2x	12.4x	11.1x	20.2x	18.9x	16.5x
Mean					14.0	83.3	1.8	1.8	11.2	9.0	8.6	7.8	13.4	12.5	11.6
Median					5.2	72.5	1.8	1.8	10.9	8.2	7.8	7.2	11.2	10.2	10.4
Low					1.6	49.4	0.8	1.1	8.0	6.5	6.3	5.9	8.7	8.4	7.7
Diversified Wealth Advisors															
The Charles Schwab Corporation	SCHW	\$73.25	NA	\$138,175	38.1%	125.0%	n.a.	6.0x	20.1x	11.7x	11.2x	11.2x	23.0x	23.3x	21.4x
Ameriprise Financial, Inc.	AMP	258.34	921,106	29,943	32.9	111.8	3.2	2.2	13.6	7.1	7.0	6.9	12.2	12.2	11.6
Raymond James Financial, Inc.	RJF	134.17	178,200	18,437	40.2	119.8	8.9	1.7	10.9	8.7	8.9	n.a.	14.4	14.8	14.7
Stifel Financial Corp.	SF	70.17	NA	7,374	39.1	150.4	n.a.	1.8	11.1	9.7	9.7	9.6	13.1	13.7	13.2
High					40.2%	150.4%	8.9%	6.0x	20.1x	11.7x	11.2x	11.2x	23.0x	23.3x	21.4x
Mean					37.6	126.7	6.1	2.9	13.9	9.3	9.2	9.2	15.7	16.0	15.2
Median					38.6	122.4	6.1	2.0	12.3	9.2	9.3	9.6	13.7	14.3	14.0
Low					32.9	111.8	3.2	1.7	10.9	7.1	7.0	6.9	12.2	12.2	11.6

Sources: Public filings, SNL Financial, S&P Capital IQ.

Note: Trading multiples based on share price, other market data, and broker consensus future earnings estimates from S&P Capital IQ as of May 14, 2021.

Select Trading Comparables

Traditional Asset Managers

As of May 14, 2021

(Dollars in millions, except per share data)

(Dollars in millions, except per share data)								EV /				EV / EBITDA				P / Adj. Earnings				
	Ticker	Closing Stock Price	Market Cap.	YTD Stock Price Return	1-Year Stock Price Return	Assets Under Management	AUM	2020A Rev.	2021E Rev.	2022E Rev.	2023E Rev.	2020A	2021E	2022E	2023E	2020A	2021E	2022E	2023E	
Traditional Asset Managers																				
	BlackRock, Inc.	BLK	\$856.87	\$130,695	18.8%	66.8%	\$9,007,411	1.5%	8.3x	7.2x	6.7x	6.2x	22.2x	17.5x	15.6x	14.6x	25.3x	23.1x	20.2x	18.3x
	T. Rowe Price Group, Inc.	TROW	191.07	43,345	26.2	68.3	1,518,000	2.7	6.7	5.5	5.2	5.0	14.2	11.2	10.6	9.2	19.9	15.5	14.8	13.5
	Franklin Resources, Inc.	BEN	34.54	17,419	38.2	94.5	1,498,900	1.4	3.3	2.5	2.5	2.7	11.4	8.8	8.7	9.3	13.0	10.4	10.4	10.2
	Invesco Ltd.	IVZ	27.96	12,902	60.4	317.3	1,404,100	1.5	4.6	4.0	3.8	3.7	13.8	9.5	9.1	9.5	14.5	10.0	9.4	9.0
	AllianceBernstein Holding L.P.	AB	44.37	12,118	31.4	108.6	685,900	1.8	3.3	2.9	2.9	2.9	11.5	10.4	10.2	10.8	15.2	13.0	12.0	12.7
	Affiliated Managers Group, Inc.	AMG	164.40	6,845	61.7	162.9	738,000	1.3	4.8	4.2	4.2	4.3	12.1	10.2	10.0	10.2	12.3	9.9	9.0	8.3
	Janus Henderson Group Plc	JHG	38.14	6,423	17.3	116.2	405,100	1.5	2.6	2.3	2.3	2.3	8.2	6.7	7.0	7.1	12.7	10.4	10.4	11.0
	Artisan Partners Asset Management Inc.	APAM	52.10	4,124	3.5	94.5	162,883	2.6	4.8	3.6	3.3	2.8	11.7	8.0	7.4	6.1	15.6	10.7	9.9	8.5
	Cohen & Steers, Inc.	CNS	73.08	3,525	(1.6)	22.8	87,040	4.1	8.3	6.8	6.1	6.8	20.5	15.5	14.5	16.1	28.4	21.3	19.1	19.9
	Federated Hermes, Inc.	FHI	33.25	3,143	15.1	64.6	624,996	0.5	2.3	2.5	2.4	2.2	7.5	8.2	7.9	7.9	10.3	11.3	10.7	10.0
	Virtus Investment Partners, Inc.	VRTS	268.04	2,050	23.5	230.1	168,880	2.5	7.8	5.0	4.3	n.a.	20.7	11.0	9.7	8.8	16.5	8.4	7.3	7.0
	Victory Capital Holdings, Inc.	VCTR	29.54	2,003	19.1	111.5	154,331	1.7	3.5	3.0	2.9	2.8	7.1	6.0	5.7	5.4	7.6	6.4	6.1	6.0
	BrightSphere Investment Group Inc.	BSIG	23.08	1,832	19.7	195.9	145,100	1.4	2.9	3.8	3.6	3.4	8.8	10.3	10.0	9.8	13.2	14.6	9.0	7.5
	WisdomTree Investments, Inc.	WETF	6.65	969	24.3	155.8	69,537	1.6	4.3	3.7	3.5	3.2	19.4	13.5	13.0	13.6	26.6	20.0	18.7	17.2
	Pzena Investment Management, Inc.	PZN	11.34	823	55.3	162.5	49,200	1.8	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Diamond Hill Investment Group, Inc.	DHIL	177.90	530	19.2	74.4	30,582	1.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Manning & Napier, Inc.	MN	7.53	143	20.1	177.9	21,140	0.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	18.0	n.a.	n.a.
High					61.7%	317.3%	\$9,007,411.0	4.1%	8.3x	7.2x	6.7x	6.8x	22.2x	17.5x	15.6x	16.1x	28.4x	23.1x	20.2x	19.9x
Mean					26.6	130.9	986,535.3	1.8	4.8	4.1	3.8	3.7	13.5	10.5	9.9	9.9	16.5	13.5	11.9	11.4
Median					20.1	111.5	168,880.0	1.5	4.5	3.7	3.5	3.2	11.9	10.3	9.9	9.4	14.9	11.3	10.4	10.1
Low					(1.6)	22.8	21,139.8	0.5	2.3	2.3	2.3	2.2	7.1	6.0	5.7	5.4	7.6	6.4	6.1	6.0

Sources: Public filings, SNL Financial, S&P Capital IQ.

Note: Trading multiples based on share price, other market data, and broker consensus future earnings estimates from S&P Capital IQ as of May 14, 2021.

Select Trading Comparables

Alternative Asset Managers

As of May 14, 2021
(Dollars in millions, except per share data)

(dollars in millions, except per share data)

	Ticker	Closing Stock Price	Market Cap.	Intrinsic Enterprise Value ⁽¹⁾	YTD Stock Price Return	1-Year Stock Price Return	Assets Under Management	AUM	EV /				EV / EBITDA ⁽²⁾				P / DE			
									2020A Rev.	2021E Rev.	2022E Rev.	2023E Rev.	2020A	2021E	2022E	2023E	2020A	2021E	2022E	2023E
Alternative Asset Managers																				
Blackstone Group Inc.	BX	\$87.48	\$106,559	\$100,311	35.0%	71.3%	\$648,803	15.5%	15.8x	13.3x	11.7x	10.7x	28.2x	23.9x	20.9x	18.9x	31.9x	26.7x	23.4x	20.8x
Brookfield Asset Management Inc.	BAM.A	48.40	76,166	38,062	17.1	61.5	609,075	6.2	15.2	13.4	11.3	n.a.	20.3	19.9	20.3	n.a.	21.3	21.9	17.8	n.a.
KKR & Co. Inc.	KKR	56.14	48,792	33,023	38.7	127.0	367,453	9.0	9.9	8.2	7.0	6.4	23.3	15.6	13.1	11.8	32.0	20.5	17.5	15.5
Apollo Global Management, Inc.	APO	57.42	25,500	23,729	17.2	41.1	461,138	5.1	10.8	9.4	8.1	n.a.	20.7	18.4	15.9	n.a.	28.6	24.9	21.6	n.a.
Carlyle Group Inc.	CG	43.51	15,756	12,054	38.4	85.3	259,844	4.6	5.5	4.8	4.0	3.8	15.1	13.0	10.5	9.2	27.9	19.9	16.0	13.4
Ares Management Corporation	ARES	52.41	14,491	13,778	11.4	55.8	207,158	6.7	7.9	6.9	6.0	5.7	24.8	19.9	16.9	16.5	29.9	21.6	18.2	17.1
Sculptor Capital Management Inc.	SCU	25.76	1,538	1,455	69.5	149.1	37,374	3.9	1.7	2.4	2.2	n.a.	4.5	5.5	5.4	n.a.	6.9	7.5	7.2	n.a.
High					69.5%	149.1%	\$648,803.0	15.5%	15.8x	13.4x	11.7x	10.7x	28.2x	23.9x	20.9x	18.9x	32.0x	26.7x	23.4x	20.8x
Mean					32.5	84.5	370,120.8	7.3	9.5	8.3	7.2	6.7	19.6	16.6	14.7	14.1	25.5	20.4	17.4	16.7
Median					35.0	71.3	367,453.4	6.2	9.9	8.2	7.0	6.1	20.7	18.4	15.9	14.2	28.6	21.6	17.8	16.3
Low					11.4	41.1	37,374.4	3.9	1.7	2.4	2.2	3.8	4.5	5.5	5.4	9.2	6.9	7.5	7.2	13.4
Private Markets Focus																				
Partners Group Holding AG	SWX:PGHN	\$1,439.50	\$37,934	\$37,534	22.5%	92.0%	\$109,100	34.4%	23.5x	19.0x	17.1x	15.4x	36.3x	29.5x	26.7x	23.8x	41.9x	34.5x	31.3x	28.1x
EQT AB	OM:EQT	31.48	31,062	30,113	23.1	118.5	64,220	46.9	34.7	20.1	17.5	14.1	63.9	33.2	29.6	22.3	74.4	39.6	35.0	25.8
Hamilton Lane Incorporated	HLNE	89.55	4,821	4,959	14.7	41.8	75,777	6.5	15.7	14.4	13.2	10.8	32.1	28.9	27.6	22.4	37.8	34.5	31.2	28.4
StepStone Group Inc.	STEP	31.18	2,956	2,956	(21.7)	n.a.	80,000	3.7	n.a.	8.4	7.5	n.a.	n.a.	23.6	20.7	n.a.	n.a.	40.8	33.0	n.a.
Grosvenor Capital Management, L.P.	GCMG	12.20	2,247	2,365	(8.4)	n.a.	0	n.a.	5.5	5.1	4.6	4.3	16.1	14.9	11.8	11.5	24.9	23.5	16.9	16.5
High					23.1%	118.5%	\$109,100.0	46.9%	34.7x	20.1x	17.5x	15.4x	63.9x	33.2x	29.6x	23.8x	74.4x	40.8x	35.0x	28.4x
Mean					6.1	84.1	65,819.4	22.9	19.9	13.4	12.0	11.1	37.1	26.1	23.3	20.0	44.8	34.6	29.5	24.7
Median					14.7	92.0	75,777.0	20.5	19.6	14.4	13.2	12.4	34.2	28.9	26.7	22.4	39.9	34.5	31.3	27.0
Low					(21.7)	41.8	0.0	3.7	5.5	5.1	4.6	4.3	16.1	14.9	11.8	11.5	24.9	23.5	16.9	16.5

Sources: Public filings, SNL Financial, S&P Capital IQ.

Note: Trading multiples based on share price, other market data, and broker consensus future earnings estimates from S&P Capital IQ as of May 14, 2021.

(1) Reflects total market value of debt and equity, less cash, 0.9x book value of investment portfolio, and 0.9x the book value of carried interest.

(2) Market Cap/ENI.

Houlihan Lokey

Leading Independent Advisory Firm

Houlihan Lokey is the trusted advisor to more top decision-makers than any other independent global investment bank.

HLI
LISTED
NYSE

1,500+
Employees

23
Locations

~45%
Employee-Owned

~\$4.5 billion
Market Cap

>\$1 billion
Annual Revenue

No
Debt

Corporate Finance

2020 M&A Advisory Rankings All U.S. Transactions

	Advisor	Deals
1	Houlihan Lokey	210
2	Goldman Sachs & Co	172
3	JP Morgan	132
4	Evercore Partners	126
5	Morgan Stanley	123

Source: Refinitiv (formerly known as Thomson Reuters)

No. 1 U.S. M&A Advisor

Top 5 Global M&A Advisor

Leading Capital Markets Advisor

Financial Restructuring

2020 Global Distressed Debt & Bankruptcy Restructuring Rankings

	Advisor	Deals
1	Houlihan Lokey	106
2	PJT Partners Inc	63
3	Lazard	50
4	Rothschild & Co	46
5	Moelis & Co	39

Source: Refinitiv (formerly known as Thomson Reuters)

No. 1 Global Restructuring Advisor

1,400+ Transactions Completed Valued
at More Than \$3.0 Trillion Collectively

Financial and Valuation Advisory

2001 to 2020 Global M&A Fairness Advisory Rankings

	Advisor	Deals
1	Houlihan Lokey	956
2	JP Morgan	876
3	Duff & Phelps	802
4	Morgan Stanley	599
5	BofA Securities Inc	542

Refinitiv (formerly known as Thomson Reuters). Announced
or completed transactions.

No. 1 Global M&A Fairness Opinion
Advisor Over the Past 20 Years

1,000+ Annual Valuation Engagements

North America

Atlanta
Boston
Chicago
Dallas
Houston
Los Angeles
Miami
Minneapolis
New York
San Francisco
Washington, D.C.

Europe and Middle East

Amsterdam
Dubai
Frankfurt
London
Madrid
Milan
Paris

Asia-Pacific

Beijing
Hong Kong
Singapore
Sydney
Tokyo

Wealth Management Focus and Expertise

Solutions for the Lifecycle of Managers

Houlihan Lokey is uniquely positioned to serve as a trusted advisor, given its ability to offer an integrated solution to address the most important strategic decisions of wealth and asset managers.

Mergers and Acquisitions

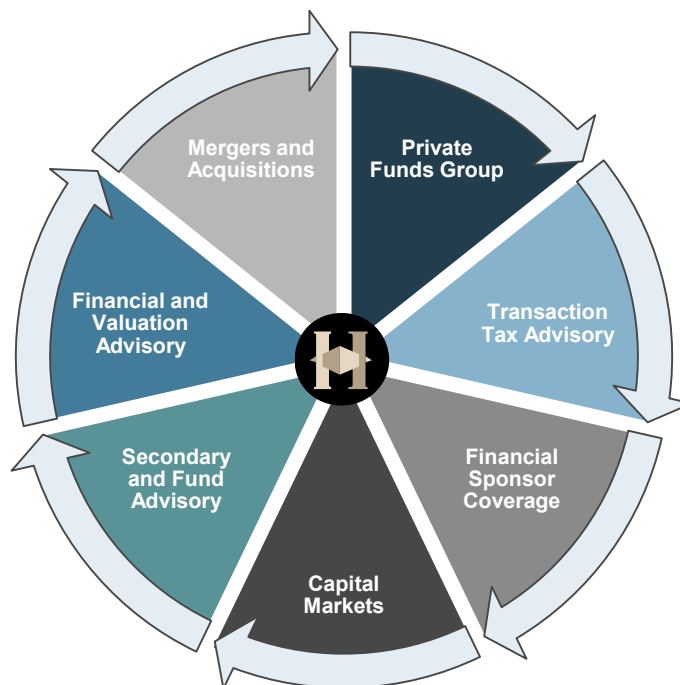
- Comprehensive advisory to wealth managers on minority and majority stake sales, acquisitions, seed investments, joint ventures, product development, succession planning, and establishment of private and permanent capital vehicle
- Facilitate attractive capital solutions to fund growth, equitize the next generation, and enable transitioning shareholders to monetize equity interest

Financial and Valuation Advisory

- Portfolio, private company, security, loan, and derivatives valuation experience
- Provider of recurring, asset-by-asset valuations to three of the largest minority stake GP investors

Secondary and Fund Advisory

- Dedicated team focused on providing liquidity solutions
- Unique knowledge of secondary investor preferences and behavior through unmatched relationships and deal flow
- Valuation of existing structures and of strategic options can add to a process's value creation potential



Capital Markets

- 45 dedicated professionals across six offices in five countries that raised approximately \$9 billion across more than 50 transactions during 2020, with more than 30 different financial sponsors
- Independent advisor on bank commitments and securities offerings with the ability to act as bookrunner/co-manager

Private Funds Group (PFG)

- Dedicated team of approximately 30 individuals globally, combining the institutional fundraising experience of a leading institutional agent, with unique in-house operating and investor relations experience from market-leading firms
- Guidance on timing of stake sales, investor communications, and other strategic considerations as they relate to investor relations

Transaction Tax Advisory Services

- Dedicated tax advisory team specialized in transaction-related tax impacts to maximize efficiency
- Efficient tax structure can preserve or create value in asset and wealth management stake transactions

Financial Sponsors Coverage

- Among the largest financial sponsors group focused on mid- and large-cap funds, identifying the best investors and facilitating introductions for processes
- 20 senior officers in North America and Europe dedicated to coverage of more than 1,000 sponsors

Wealth Management Focus and Expertise

Overview of M&A and Capital Market Solutions

Houlihan Lokey has extensive experience structuring and negotiating transactions involving asset and wealth managers.

Select Advisory Areas

Selected Wealth and Asset Management Transaction Experience

Mergers and Acquisitions

Minority Stake Sales

- Minority investments in a variety of wealth and asset managers and general partnerships across asset classes
- Includes both financial and strategic buyers

Majority and Control Sales

- Full sellside and buy-side engagements, featuring majority, path to control, and control transactions

AVISTA
CAPITAL PARTNERS

has sold a minority equity GP participation (a "GP stake") to

Capital Constellation

Wafra

Sellside Advisor

KENNEDY LEWIS
INVESTMENT MANAGEMENT

has sold a minority equity GP stake to

AZIMUT
DORNING INVESTMENT DIRECTOR
AZIMUT ALTERNATIVE CAPITAL PARTNERS

Sellside Advisor

HALCYON

has sold minority equity stakes to

TPG Sixth Street Partners
and
Dyal Capital partners

Exclusive Sellside Advisor

STANDARD GENERAL

has repurchased their minority seed interest from

RESERVOIR
Capital Group

Buy-side Advisor

ASTOR INVESTMENT MANAGEMENT

has sold a minority interest to

Harvest Capital Strategies
a subsidiary of
JMP

Sellside Advisor*

ARK INVEST

has sold a minority stake to

American Beacon*
a portfolio company of
KEISO **ESTANCIA**

Sellside Advisor*

ONEX

has acquired

FALCON

Buy-side Advisor

OAKTREE
OCS | Strategic Income Corporation

has merged with

OAKTREE
OCS | Specialty Lending Corporation

Special Committee Advisor

ORIX

has acquired

NXT CAPITAL

Buy-side Advisor

NEUSTAR FINANCIAL

has been acquired by

FIRST EAGLE
INVESTMENT MANAGEMENT

and has sold a \$2.4 billion middle-market loan and credit investment portfolio to fund sponsored by

GSO
CAPITAL PARTNERS

Financial Advisor

OMAM

has acquired a majority interest in

LANDMARK PARTNERS

Buy-side Advisor*

METWEST
Metropolitan West Asset Management LLC

has been acquired by

TCW
The TCW Group, Inc.

Sellside Advisor

Capital Markets Related

Asset Level Financing and Sales

- Term and non-term financing for asset companies
- Running strategic processes, executing bulk asset sales and purchases

Company Level Financing

- Capital markets solutions for financial services operating companies
- Secured and unsecured debt, mezzanine debt, structured preferred and common equity

MEDLEY
CAPITAL CORPORATION

has sold its interests in the MCC Senior Loan Strategy JV Portfolio to a private fund managed by

GOLUB CAPITAL

Sellside Advisor

TPG
REAL ESTATE FINANCE TRUST

Series B Cumulative Redeemable Preferred Stock with Warrants

Recapitalization

\$325,000,000

Exclusive Placement Agent

MFA
FINANCIAL, INC.

\$500,000,000 Senior Secured Term Loan with Warrants

\$1,650,000,000 Asset-Based Term Facility

Recapitalization

Financial Advisor & Exclusive Placement Agent

Project Helios
Solar Development Lending

ABL Revolver

Dividend Recapitalization \$100,000,000

Exclusive Placement Agent

TCAP TRIANGLE CAPITAL CORPORATION

sold its entire Investment Portfolio for \$793 million to funds advised by

BENEFIT STREET
PARTNERS

Sellside Advisor

Merchants
AUTOMOTIVE GROUP

Series A Senior Secured Notes

Growth Capital

\$50,000,000

Exclusive Financial Advisor & Placement Agent

Ascot Lloyd
a portfolio company of

OAKTREE

has received financing from funds managed by

ARES

Capital Raising

CURO
MANUAL POWER TOOLS CORP.

has secured multiple Loan Facilities from an undisclosed investor

\$80,000,000 Term Loan
\$45,000,000 Revolving Credit Facility
\$25,000,000 Bridge Loan

Co-Placement Agent

GROTESTONE

has acquired

America First Capital Associates Limited Partnership Two
The General Partner of
ATAX
AMERICA FIRST CAPITAL ASSOCIATES LIMITED PARTNERSHIP, L.P.

Buy-side Advisor

annexus

Senior Secured Term Loan

Recapitalization

Exclusive Placement Agent

SMART FINANCIAL

Convertible Preferred Stock

\$47,500,000

Placement Agent

GROTESTONE

\$100,000,000 Senior Secured Term Loan

Exclusive Placement Agent

*Selected transactions were executed by Houlihan Lokey professionals while at other firms acquired by Houlihan Lokey or by professionals from a Houlihan Lokey joint venture company. Tombstones included herein represent transactions closed from 2010 forward.

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